



Moldova Partnerships for Sustainable Civil Society

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TABLE OF CONTENTS

I. INTRODUCTION	1
II. MPSCS KEY ACHIEVEMENTS, YEAR 1.....	3
OBJECTIVE 1: CSOs MORE EFFECTIVELY REPRESENT THEIR CONSTITUENCIES.....	3
OBJECTIVE 2: THE INSTITUTIONAL CAPACITIES OF STRATEGIC PARTNERS DEVELOPED	3
OBJECTIVE 3: ENABLING ENVIRONMENT MORE CONDUCIVE TO LONG-TERM SUSTAINABILITY OF CIVIL SOCIETY	4
III. MPSCS PROGRESS YEAR 1, BY OBJECTIVE.....	4
OBJECTIVE 1: CSOS MORE EFFECTIVELY REPRESENT THEIR CONSTITUENCIES.....	4
ENGAGE PROGRAM PARTNERS	4
CSO ADVOCACY AND GOVERNMENT OUTREACH.....	5
DISABILITY RIGHTS ADVOCACY	6
YOUTH INTEGRATION.....	7
ADVOCACY INDEX CUSTOMIZATION AND TOT	7
GOVERNMENT OUTREACH AND ENGAGEMENT.....	7
CIVIL SOCIETY STAKEHOLDERS' COORDINATION.....	8
GENDER EQUALITY AND WOMEN'S EMPOWERMENT.....	8
COMMUNICATION AND MEDIA	8
OBJECTIVE 2: THE INSTITUTIONAL CAPACITIES OF STRATEGIC PARTNERS DEVELOPED	9
SUPPORT TO MOLDOVAN CIVIL SOCIETY DEVELOPMENT	9
CAPACITY BUILDING	10
SUPPORT TO A LOCAL MARKET FOR CAPACITY DEVELOPMENT SERVICES AND PROVIDERS.....	14
TECHNICAL SUPPORT TO MPSCS PARTNERS FROM FHI 360 EXPERTS	14
OBJECTIVE 3: ENABLING ENVIRONMENT MORE CONDUCIVE TO LONG-TERM SUSTAINABILITY OF CIVIL SOCIETY	15
SUPPORTING IMPLEMENTATION OF THE CSO STRATEGY.....	15
ENHANCING LOCAL EXPERTISE ON THE ENABLING LEGAL ENVIRONMENT FOR CSOs	17
REVISING LEGISLATIVE FRAMEWORK AND IMPROVING IMPLEMENTATION	17
CROSS-CUTTING ACTIVITIES	20
GENDER INTEGRATION	20
EUROPEAN UNION INTEGRATION AWARENESS RAISING ACTIVITIES	20
IV. PERFORMANCE MONITORING AND EVALUATION PLAN (PMEP) RESULTS	21
V. CHALLENGES.....	21
VI. HIGHLIGHTS OF PLANNED ACTIVITIES FOR MPSCS YEAR 2	21
OBJECTIVE 1: CSOs MORE EFFECTIVELY REPRESENT THEIR CONSTITUENCIES.....	21
OBJECTIVE 2: THE INSTITUTIONAL CAPACITIES OF STRATEGIC PARTNERS DEVELOPED	22
OBJECTIVE 3: ENABLING ENVIRONMENT MORE CONDUCIVE TO LONG-TERM SUSTAINABILITY OF CIVIL SOCIETY	23
ATTACHMENTS	23

ACRONYMS

API	Asociația Presei Independente (Association of the Independent Press)
APT	Asociația Psihologilor Tighina (Association of Psychologists from Tighina)
CSO	Civil Society Organization
CICO	Centrul pentru Instruire și Consultanță Organizatională (Center for Organizational Consultancy and Training)
CJI	Centrul pentru Jurnalism Independent (Independent Journalism Center)
CJU	Clinica Juridică Universitară (University Legal Clinic)
CPD	Centrul Parteneriat pentru Dezvoltare (Center Partnership for Development)
CRJ	Centrul de Resurse Juridice (Legal Resource Center)
CNTM	Consiliul Național al Tineretului din Moldova (National Youth Council of Moldova)
ECNL	European Center for Not-for-Profit Law
EEF	Fundația Est-Europeană (East Europe Foundation)
EP	Engage Program
EU	European Union
FCPS	Femeia și Copilul-Protecție și Sprijin (Woman and Child – Protection and Support)
FDRM	Fundația pentru Dezvoltare din RM (Foundation for Advancement of Moldova)
FSP	Financial Sustainability Plan
FRF	Financial Revenues Form
GoM	Government of Moldova
IC	Individual Checklist
LGSP	Local Government Support Program
LPA	Local Public Authorities
M&E	Monitoring and Evaluation
MoYS	Ministry of Youth and Sports
MoU	Memorandum of Understanding
MPSCS	Moldova Partnerships for Sustainable Civil Society
NGO	Non-Governmental Organization
ODA	Organizational Development Assessment
ODAT	Organizational Development Assessment Tool
PAT	Pre-Award Assessment Tool
RFA	Request for Applications
RFP	Request for Proposals
RC	Review Committee
TA	Technical Assistance
Tarna Rom	Uniunea Tinerilor Romi din Republica Moldova „Tarna Rom” (Union of the Roma Youth of Moldova Tarna Rom)
TDP	Training and Development Plan
TDV	Tinerii pentru Dreptul la Viață (Youth for the Right to Life)
ToT	Training of Trainers
USAID	United States Agency for International Development

I. INTRODUCTION

This report covers the period of December 13, 2013 – September 30, 2014 of the Moldova Partnerships for Sustainable Civil Society (MPSCS). MPSCS is a five-year project funded by the United States Agency for International Development (USAID) and implemented by FHI 360 and its partner, the European Center for Not-for-Profit Law (ECNL).

The overall goal of MPSCS is to build a more professional and sustainable civil society sector that is responsive to constituent needs and influences policymaking, and to foster an enabling legal framework.

MPSCS accomplishes this goal by meeting three objectives:

- **Objective 1:** CSOs More Effectively Represent their Constituencies
- **Objective 2:** Institutional Capacity of Strategic Partners Developed
- **Objective 3:** Enabling Environment More Conducive to Long-Term Sustainability of Civil Society

Through MPSCS, FHI 360: 1) Provides sub-awards to 19 Moldovan Civil Society Organizations (CSOs) coupled with capacity building to more effectively represent citizens' interests and concerns to local- and regional-level policymakers; 2) Develops a network of and partnerships among up to 27 CSOs throughout Moldova with strengthened governance, financial management, procurement, project management, and fundraising capacity to play a leadership role in the development of Moldova's civil society sector and become trusted recipients of funds from citizens, donors, and other public and private entities; and 3) Offers technical assistance (TA) and mentorship to empower CSOs to advocate for and advance legal and regulatory reforms, with a particular focus on the Civil Society Development Strategy for 2012 – 2015 (hereinafter referred to as the CSO Strategy), to enable an environment more conducive to the long-term sustainability of the civil society sector.

As a result of USAID's modification of the original award, 12 MPSCS program grantees received additional funding to carry out European Union (EU) integration awareness campaigns throughout Moldova. The purpose of the campaigns is to inform the public about the benefits of EU integration, dispel common misconceptions about the process, and improve attitudes toward Moldova's EU path. MPSCS has also partnered with the Foundation Est-Europeană, or East Europe Foundation (EEF) to implement a one-year project focused on promoting public awareness of European integration. In addition, MPSCS will launch a new Request for Applications (RFA) under EU Action Grants program to select Moldovan CSOs and media outlets to contribute to Moldova EU integration.

During Year 1, MPSCS accomplished the following results under each of its objectives:

Objective 1. 19 Engage Program Partners were selected by an Independent Selection Committee and approved by USAID. By the end of Year 1, 16 out of 19 CSOs received three-year grants of maximum MDL 390,000 MDL to advocate for the constituencies' right - elderly people, youth, media, women, Roma people, employers, and people with disabilities - and mobilize government, media and other CSOs. The three remaining grants under the EP will be awarded in early Year 2.

Objective 2. Under the Support to Moldovan Civil Society Development RFA, MPSCS has selected three Strategic Partners – Contact-Cahul, Centrul pentru Instruire și Consultanță Organizatională – CICO (Center for Organizational Consultancy and Training), and Centrul de Resurse Juridice – CRJ (Legal Resource Center from Moldova), each to correspond to the program's three objectives. They were competitively selected based on their past experience and interest working to support the development of the CSO sector in areas such as advocacy and constituency engagement, capacity

building service provision for CSOs, and civil society-related legal and regulatory reform. MPSCS has initiated its enhanced assistance to the Strategic Partners to prepare them to receive direct USAID or other major donor funding by the end of the first year of their projects.

All short-listed candidates underwent comprehensive financial and organizational pre-award and post-award assessments to assign a risk-level score and identify potential areas for improvement. In order to perform the assessments, MPSCS developed or adjusted the following organizational development tools to the Moldovan context: Individual Checklist (IC), Organizational Development Assessment (ODA) tools, Training and Development Plan (TDP), Financial Sustainability Plan (FSP), Financial Revenues Form (FRF), and Gender Questionnaire.

According to the USAID CSO Sustainability Index, capacity building services offered to Moldovan CSOs are very limited. In order to develop the competition and a self-evolving and sustainable market of CSO capacity building services MPSCS has developed and launched a request for proposals to select a partner(s) to strengthen the capacities of CSO trainers and to develop an online database of available trainers/CSO development services.

Objective 3. The Government of Moldova (GoM) made significant progress in implementing the CSO Strategy with MPSCS support: the level of state funding for CSOs increased; the process of CSO registration and voluntary dissolution was simplified; and the social contracting and percentage designation mechanism to improve CSO financial sustainability was launched. MPSCS and key partner ECNL provided written comments and recommendations and in-person consultations to both government representatives and CSOs to ensure that they proceed with establishing better coordination and monitoring of achievements and shortcomings in the implementation of the CSO Strategy. To ensure the GoM's buy-in and involvement, a Memorandum of Understanding (MoU) was signed between MPSCS and the State Chancellery.

MPSCS approach

MPSCS's approach to civil society partnership building focuses on strengthening CSOs as an integral component of the Moldovan society—important to the government, businesses, and the broader community. Our work under each objective focuses on connecting Moldovan CSOs to resources, partners, advocates, and constituents, so that they are not isolated.

Another important aspect of our approach to partnership building and CSO capacity development is that MPSCS goes beyond formal trainings, workshops, institutional assessments, and individualized support described under Objective 2. Capacity development and partnership building are embedded in every step of MPSCS assistance to CSOs, from opportunity announcement and application process to project implementation. For example, as part of its selection criteria, MPSCS prioritizes projects aiming to foster partnerships and coalitions. MPSCS holds multiple bidders' conferences to ensure that interested CSOs understand the requirements of the call and that a broad swath of organizations applies for funding. The pre-award assessments – those conducted by MPSCS staff and self-administered by CSOs during the application process – instill the importance of examining organizational systems and identifying areas for improvement. MPSCS staff work closely with selected grantees to improve and finalize their applications and use it as an opportunity for capacity development. Finally, MPSCS staff provide ongoing support to our partners to ensure that their grants are smoothly implemented and administered throughout the life of their projects.

II. MPSCS KEY ACHIEVEMENTS, YEAR 1

Objective 1: CSOs More Effectively Represent their Constituencies

- Under the Engage Program Partners grant program, MPSCS selected 19 national and local organizations that are leaders in representing citizen interests.
- 16 CSOs representing interest of their constituents – the elderly, youth, media, women, Roma people, employers, and people with disabilities – launched their project activities.
- 12 Engage Program Partners incorporated additional activities into their projects to promote Moldova's European integration and benefits for their target groups/constituencies.
- MPSCS selected the advertising agency Parc Comunicatii to design and implement a comprehensive nation-wide awareness campaign on Moldova's European integration.
- MPSCS developed and received USAID approval for the EU Action Grants RFA, which will be launched in early Year 2 to solicit project ideas aiming at raising awareness about the benefits of European integration.
- More than 50 journalists, media experts and civil society representatives discussed and signed the MPSCS grantee Centrul pentru Jurnalism Independent – CJII's (Independent Journalism Center) appeal to the Parliament of Moldova to increase the media ownership transparency.
- MPSCS grantee Tinerii pentru Dreptul la Viață – TDV (Youth for the Right to Life) conducted meetings with the Ministry of Youth and Sports (MoYS) in support of the online awareness campaign, "What is Volunteering?" and provided trainings for CSO representatives to promote volunteering in Moldova.
- MPSCS grantee Vesta held the first founders' meetings of the Southern Women's Alliance of seven CSOs from the Gagauz region that work on women's empowerment.
- Clinica Juridică Universitară – CJU (University Legal Clinic) provided free legal assistance to 81 socially disadvantaged people from northern Moldova.
- 39 volunteers were engaged in the activities organized by MPSCS partners.
- MPSCS grantee Tarna Rom Union of the Roma Youth of Moldova met with around 80 Roma people and 12 Roma CSOs to create a coalition to monitor the GoM Roma people integration plan.
- Amendments to the Law on Transparency in Public Decision Making were adopted by the Parliament with MPSCS assistance.

Objective 2: The Institutional Capacities of Strategic Partners Developed

- MPSCS selected three Strategic Partners – Contact-Cahul, CICO and CRJ.
- CSO capacity-building tools – the CSO Financial Sustainability Plan, Organizational Development Assessment Tool (ODAT), Training and Development Plans (TDP) and Gender Questionnaire, were developed, refined, and finalized.
- Pre-award organizational development assessment of 22 CSOs including 19 Engage Program Partners and three Strategic Partners were carried out by MPSCS.
- Six individual CSO Training and Development Plans were developed as result of TA provided by MPSCS.
- 10 Financial Sustainability Plans were developed by MPSCS partner CSOs aiming to foster their financial sustainability.
- One out of two proposals submitted under the Request for Proposals (RFP) Support to the local market for capacity development services and providers selected.

Objective 3: Enabling Environment More Conducive to Long-Term Sustainability of Civil Society

- New local funding opportunities were made available to CSOs as a result of important legal reforms.
- Social contracting mechanism, which enables authorities to contract CSOs to provide social services, was launched, thereby providing additional sources of funding for Moldovan CSOs and improving the prospects of their long-term financial sustainability.
- GoM adopted the Ministry of Culture Regulation on Grants to CSOs and the first call for state funded grants to CSOs was launched.
- As a result of MPSCS support, the Parliament adopted the amendments to the Fiscal Code that allow individuals to donate 2% of their tax on income to CSOs.
- Agreement on cooperation reached with the State Chancellery and memorandum of understanding signed. MPSCS will provide TA to GoM to improve the civil society strategy monitoring and implementation.
- MPSCS provided recommendations to the State Chancellery for improving monitoring and coordination of the CSO Strategy.
- Focal points to coordinate civil society policies were established in each line ministry.
- MPSCS provided TA to the Ministry of Justice in developing amendments to the Law on Public Associations and the Law on Foundations to prevent restrictive amendments (restricting CSO and foundations political activities).
- The process of CSO registration and the voluntary dissolution was simplified and streamlined.

III. MPSCS PROGRESS YEAR 1, BY OBJECTIVE

OBJECTIVE 1: CSOS MORE EFFECTIVELY REPRESENT THEIR CONSTITUENCIES

ENGAGE PROGRAM PARTNERS

Nineteen Moldovan CSOs – leaders in their sectors and committed to improving their institutional capacity – have been selected under the Engage Program Partners grant competition. In March 2014, MPSCS developed and advertised

We are happy that our association, despite its small size, was selected as an MPSCS partner. This demonstrates that FHI 360 treats all associations equally and appreciates the potential of each CSO. This partnership is a special one to us, as it will help us to face the challenges and improve the quality of our services.

Marin ALLA, Tarna Rom Executive Director

the Engage Program Partners grant competition to solicit project ideas directly related to their organizational mission and areas of expertise, which included: connecting CSOs with citizens; increasing the visibility and influence of the CSO sector in Moldova; developing and implementing advocacy initiatives; and mobilizing the government, media, and other CSOs for stronger engagement.

From 30 applicants, the Review Committee short-listed 19 CSOs to receive three -year grants of up to 390,000 MDL. MPSCS conducted pre-award site visits to all 19 CSOs, during which a general understanding of the grants program was established, and project concepts and main recommendations from the Review Committee members were discussed. The site visits included assessments of the organizations' financial systems, HR structure, and governance. Through these assessments, MPSCS staff ascertained that the short-listed CSOs have the capacity to administer MPSCS funds and organize activities according to their project proposals. The main findings of the assessments are described under the Objective 2 section. As a result, by the end of reporting period,

16 out of 19 Engage Program Partners grants were finalized, approved by USAID, and launched. Twelve CSOs received cost extensions to include EU promotional activities in their proposals, two of which were approved by USAID during this reporting period (more details in the Cross Cutting Activities section).

CSO ADVOCACY AND GOVERNMENT OUTREACH

Several Engage Program Partners - **Femeia și Copilul – Protecție și Sprijin – FCPS (Woman and Child – Protection and Support)**, **Asociația Psihologilor Tighina – APT (Association of Psychologists from Tighina)**, **Contact-Cahul**, **Vesta**, **Motivatie**, **CJU**, and **Fundația pentru Dezvoltare din RM – FDRM (Foundation for Advancement of Moldova)** – launched their projects through roundtables or public announcements in order to inform their constituency about the areas of intervention and specific project activities. **FCPS** organized a launch roundtable event, which brought together relevant project stakeholders, including civil society representatives, media, social workers, teachers, parents, and Local Public Authorities (LPA). The participants were informed about the goal and objective of the project and areas of intervention and specific activities in the project. The organization distributed roles between four partner-organizations under this project to ensure disadvantage persons' right promotion in their localities.

Vesta gathered the representatives of seven CSOs working on women's issues from the south of Moldova to create a Southern Alliance of Women CSOs to more efficiently advocate for women's rights and prevent gender-based violence. All participants agreed to be involved and to establish in their communities public councils, which will include active citizens and representatives of CSOs to fight gender-based violence in their villages.

The Uniunea Tinerilor Romi din Republica Moldova "Tarna Rom" – Tarna Rom (**Union of the Roma Youth of Moldova Tarna Rom**) held 12 meetings with Roma people CSO leaders to create the civic platform, Voice of the Roma Coalition. The Coalition will monitor the implementation of the GoM plan to integrate the Roma people into Moldovan society and to advocate for more actions related to the Roma people's inclusion. In order to gather information on how the GoM plan is currently implemented, Tarna Rom traveled to different regions of Moldova and met with around 80 Roma people. The data collected from these meetings will be included in Tarna Rom's periodical monitoring reports.

EcoContact is developing the capacities of environmental CSOs to communicate and cooperate with authorities while promoting citizens' right to a clean environment. EcoContact launched a public invitation to CSOs to join a national Thematic Working Group, which will develop a methodology and create CSO Working Groups in a few pilot communities in Moldova.

Two media organizations, **Asociația Presei Independente – API (Association of the Independent Press)** and **CJI**, are promoting the interests of the media outlets and journalists. API's Center for Assistance web-designer, economist, and legal expert provided assistance on 11 legal, financial and IT issues to several regional and national independent newspapers. As a result, newspapers *Cuvântul Liber* with 3000 subscribers and *SP* with 4500 subscribers improved their layout. Additionally, several media outlets improved their accounting practices while others benefited from legal expertise. **CJI** organized a round table and a press club to analyze the amendments to the Broadcasting Code, aimed at ensuring media ownership transparency. More than 50 journalists and experts in media law shared their recommendations in order to improve the draft law and adopted a declaration, asking the Parliament to improve the media ownership transparency. CJI is in frequent communication with the Parliament on the issue of media ownership transparency.

CJU provided free legal assistance to 81 socially disadvantaged people from northern Moldova on issues such as working conditions, sexual harassment, and employees' rights. Since CJU cannot represent citizens in court, the organization signed a cooperation agreement with the National Legal Aid Council. The state National Legal Aid Council lawyers will defend 10 citizens consulted by CJU in court as result of this cooperation. Additionally, CJU established an agreement with another MPSCS partner Certitudine to provide legal aid to citizens in solving their consumer rights problems. In October 2014, CJU will sign another agreement with the local authorities in Balti on providing legal services to socially vulnerable people.

To improve advocacy capacity of CSOs, **Casmed** organized an advocacy training for the representatives of 10 partner-CSOs from the northern part of Moldova. As result of the training, 10 CSOs are implementing awareness-raising campaigns aimed at improving the quality of life of the elderly (e.g., helping the elderly to receive medication according to their state health insurance, firewood for winter season) in northern Moldova.

TDV continued to advocate for the implementation of the Law on Volunteering. Since the Moldovan law does not stipulate reimbursements to volunteers, TDV held regular meetings with the representatives of the MoYS to discuss the issue of reimbursing the travel and incidental expenses to volunteers. As result, meetings with the Ministry of Finance to discuss this problem are scheduled for the next quarter.

APT organized two workshops for over 25 community initiative groups from different raions, including the left bank of the Nistru River to increase their capacities to represent vulnerable youth, such as orphans, children whose parents left to work as migrant workers abroad, and children from the disadvantaged families. These 12 workshops will allow APT to identify areas of intervention and to determine stakeholders' capacities to protect vulnerable youth rights.

Another MPSCS partner, FDRM is developing the Regulatory Impact Assessment (RIA) tool that will help the Ministry of Education (MoE) to monitor the implementation of education policies and to measure the schools' performance and the impact of reforms. In this context, FDRM conducted several meetings with the expert who was selected to develop RIA and with representatives from the MoE to plan actions required to develop the baseline document.

MPSCS Strategic Partner **Contact-Cahul** launched the project aimed at developing advocacy skills of Moldovan CSOs by identifying and selecting partner-CSOs throughout Moldova. Contact-Bălți and Contact-Centru were competitively selected to conduct discussion clubs and watchdog activities to monitor the implementation of regional development public policies. The organization held the first public discussion in Cahul with 25 representatives of LPAs, civil society, media, and community leaders on the benefits of Moldova's European Union integration. Participants agreed to engage in the Contact-Cahul's planned activities to disseminate information on the Moldova EU integration.

DISABILITY RIGHTS ADVOCACY

About 5% of Moldova's population lives with some form of disability. Currently, there are approximately 60 local organizations working on disability issues. Generally, these organizations are service providers and often lack the abilities to advocate on behalf of or together with their beneficiaries and engage effectively with the government to develop and monitor the implementation of disability-focused laws and policies.

Engage Program Partners - **Motivație and Centrul pentru Asistență Juridică pentru Persoane cu Dizabilități – CAJPD (Center of Legal Assistance for Persons with Disabilities)** - are implementing

projects focused on promoting the rights of people with disabilities (PWD). **Motivatie** began the selection process of a group of 18 young people with and without disabilities, to build their independent life skills to participate in their community's development and decision-making processes. **CAJPD** is preparing its first workshop in advocacy and constituency mobilization to increase the capacity of its 36 CSOs partners working with PWDs.

At USAID's request, MPSCS developed the "People with Disabilities Rights" Grants Program that will be submitted for USAID approval in Year 2. The People with Disabilities Rights grant program will support projects that empower CSOs run by and for people with disabilities to strengthen their abilities to better represent their constituencies and advocate for and monitor the implementation of improved legislation for PWDs. At the same time, the Program will encourage participation of PWDs in advocacy efforts. Under this Grant Program, MPSCS will provide 3-5 cost reimbursable grants, coupled with technical assistance, of up to MDL 415,000 per grant per year for maximum two years.

YOUTH INTEGRATION

Three MPSCS Engage Program Partners - **Certitudine**, **Consiliul Național al Tineretului din Moldova – CNTM (National Youth Council of Moldova)** and **ProComunitate** - are working on improving youth participation in public decision making. **Certitudine** distributed an announcement to select nine teams of active young people from different rural communities in northern Moldova to solve community needs by engaging LPAs. **CNTM** launched the activities aimed at developing a methodology for evaluating Moldova's youth policies. CNTM organized two visits to Leova and Causeni to discuss with public officials about the implementation of youth policies at local level. In September 2014, ProComunitate organized a two-day seminar on youth cooperation practices for 10 youth public officials from the following regions: Ialoveni, Varnita, Orhei, Floresti, Edinet, Criuleni, Chisinau and Dubasari. ProComunitate invited trainers from the Croatia Proni Center for Social Education Sanja Vuković-Čović and Irena Mikulić, who shared European and Croatian best practices in youth work and youth sector development. Concrete recommendations on how to strengthen the youth sector and its cross-sectoral cooperation were developed and submitted to relevant stakeholders. Recommendations included holding joint public-private youth planning meetings and establishing youth CSO monitoring of the state budget spending for youth activities.

ADVOCACY INDEX CUSTOMIZATION AND TOT

During the reporting period, MPSCS revised the advocacy component of the ODAT to measure more precisely the CSO skills in advocacy. The ODAT was also adjusted to the Moldovan civil society context. In addition, discussions with FHI 360 expert Nebojsa Radic were held on adjusting the FHI 360's Jordan Civil Society Project Advocacy Index to the Moldovan context. MPSCS has scheduled a trip for Nebojsa Radic's trip to Chișinău to provide a Training of Trainers (TOT) to MPSCS partner CSOs on applying the Advocacy Index in Year 2, when all the MPSCS partners will be implementing their advocacy campaigns.

GOVERNMENT OUTREACH AND ENGAGEMENT

According to the GoM, over 70% of its decisions are made in consultation with the public. However, according to the National NGO Council, only 50% of the GoM decisions are publicly discussed. At the local level, this percentage is much lower. MPSCS has worked with Ministry of Justice to amend the Law on Transparency in Public Decision Making. The amendments were adopted by the Parliament in April 2014. A specific chapter in the amendments establishes a system for monitoring transparency in public decision making and stipulates sanctions for public officials not complying with its terms and

conditions. The amendments are extremely helpful for the MPSCS Engage grantees' advocacy and watchdog activities. Additional MPSCS support to the GoM will be discussed in more detail under the Objective 3 section of the report.

CIVIL SOCIETY STAKEHOLDERS' COORDINATION

MPSCS developed a good working relationship with local and international donors and implementers working in Moldova. These include EEF, Swedish Organization for Individual Relief (SOIR), Friedrich-Ebert Stiftung Foundation, GIZ, and USAID's Local Government Support Project in Moldova (LGSP). Representatives of these organizations are members of the MPSCS grants selections committees. Moreover, regular meetings are organized and representatives from MPSCS and EEF are serving as review committee members in each other's CSO grants programs.

MPSCS representatives attended the "Strategic Planning for LPA" workshop organized by LGSP in May 2014. During the workshop, MPSCS informed 18 mayors about the project activities and discussed possibilities for cooperation between LPAs and CSOs in the context of GoM's decentralization reform. According to the agreement with the LGSP, MPSCS grantees will be invited to the LGSP quarterly mayors' meetings. This will allow CSOs to establish strategic partnerships with local governments to increase opportunities for local inclusive development, service delivery improvement, and better use of public funds.

GENDER EQUALITY AND WOMEN'S EMPOWERMENT

MPSCS developed the Gender Audit Questionnaire to assess gender equality policies and practices and highlight any gaps in Moldovan CSOs' organizational development and project implementation activities. The goal of the questionnaire is to help CSOs to develop individual Gender Action Plans that will identify organizational strengths and areas for improvement. MPSCS partners willing to apply the Gender Audit Questionnaire within their organizations will receive additional technical assistance from MPSCS in Year 2. MPSCS will promote the tool through its website and Facebook so that other interested Moldovan CSOs can also use it.

Engage Program Partner **Centrul Parteneriat pentru Dezvoltare – CPD (Center Partnership for Development)** is advocating for the adoption of a set of gender non-discrimination procedures that will require employers to implement effective measures to prevent gender discrimination. CPD is analyzing gender non-discrimination practices in European companies and will present them at the Non-discrimination Forum for Moldovan companies, which will be held next year.

COMMUNICATION AND MEDIA

During Year 1, MPSCS grantees actively promoted their project activities through Moldovan media, organizational websites, and Facebook pages. Among them are CJI, CNTM, Pro Comunitate, APT, FCPS, CJU, TDV, Certitudine and Vesta.

MPSCS partner **CJI** was the most successful organization in attracting the media to reflect their agenda. CJI events were widely covered by 11 media institutions such as Radio Chisinau, Radio Europa Libera, Accent TV, Jurnal TV, Vocea Basarabiei, IPN, Tv7, and Adevarul newspaper. **APT's** project launch roundtable was covered by the Radio Moldova channel, while **Vesta's** project was covered by local TV station (ATV) and one regional outlet (CanalRegional).

Other partners, such as **CNTM**, **Pro Comunitate**, **TDV**, **CJU** and **FCPS** posted notes about their projects through their website, Facebook pages, and www.civic.md.

During Year 1, 5200 visitors accessed the MPSCS website www.fhi360.md. From December 2013 through September 2014, FHI 360 Moldova Facebook page increased page likes from 445 to 720.

OBJECTIVE 2: THE INSTITUTIONAL CAPACITIES OF STRATEGIC PARTNERS DEVELOPED

SUPPORT TO MOLDOVAN CIVIL SOCIETY DEVELOPMENT

MCSPS sought to engage three partners, one to serve as an ISO for each of its three objectives: constituency engagement and advocacy; capacity building; and legal and regulatory reform. MPSCS launched a competition in March 2014, followed by a second call, and received 27 applications under the Support to Moldovan Civil Society Development grant competition. Three organizations were shortlisted by the Review Committee members and accepted by MPSCS - Contact-Cahul, CICO, and CRJ. Projects of two strategic partners-Contact Cahul and CICO were approved by USAID at the end of Year 1. The activities of the third are expected to begin in the first quarter of MCSPS Year 2.

Bidder's pre-award assessment

According to the Engage and Support Grant Programs RFAs, all shortlisted CSOs were evaluated based on the MPSCS Individual Checklist (IC) and Pre-Award Risk Assessment Tool. MPSCS conducted site visits to 23 CSOs and had discussions with Executive Directors, Chief Accountants, members of the CSOs' Administrative Councils and their staff.

The key findings of the pre-award evaluations include:

1. CSO Legal Structure:

- A common problem of Moldovan CSOs is that most of the founding members as well as the Board members are unaware of their financial liabilities and internal financial control systems, policies, and procedures;
- The roles of the management and control bodies (members of the Board and Control and Review Board) are not clearly defined in many CSOs' bylaws. As a result, they are not sufficiently involved to ensure the financial viability of the organization and monitoring of its activities.

2. Human Resource Management

- High turnover of staff, in particular the financial staff, affects CSOs' organizational development.
- The organizations' staff do not attend trainings, either because of the lack of funds or interest from the CSO managers.
- CSO Board members do not evaluate their Executive Directors.

3. Project Performance Management

- Most of the organizations have the capacity to manage and monitor projects with little donor guidance or intervention.
- Some of the organizations need to develop a comprehensive and well-documented project management system to monitor projects activities on a regular basis.
- Most CSOs do not develop annual work plans and budgets at the organization level.

4. Organizational Sustainability

- There are many cases when the person responsible for accounting has little to no relevant experience because of the low salaries typically CSOs can afford to pay accountants.
- Cash flow management needs to be improved within all CSOs.
- Very few CSOs back up their financial and accounting data. Most of the CSOs are using 1C accounting software, which is not adjusted to the accounting requirements of CSOs or the

specific financial reporting requirements of the donors. Adjustment of the 1C accounting software to the donors' requirements is a separate costly service and many CSOs cannot afford to purchase this type of software.

5. CSO Monitoring and Evaluation (M&E)

- Organizations have separate M&E systems for each project.
- Almost all CSOs lack a written M&E System policy (only one has a draft) at the organizational level.

Bidder's oral presentations



Silvia Strelciuc, Contact-Cahul Director, presenting the project proposal on June 11, 2014, Chişinău

As stipulated in the RFA, shortlisted CSOs for the Support Program gave a 20-minute oral presentation of their application followed by a 40-minute interactive question and answer session.

Contact-Cahul presented their project to MPSCS and USAID representatives on June 11, 2014, while CICO and CRJ on July 26, 2014. CSO representatives were able to clearly explain proposed activities and clarified all details regarding their approach. After the oral presentations, CSOs revised and improved their proposals based on the MPSCS and USAID recommendations.

Kick-off meeting

On July 30 - 31, 2014, MPSCS held a kick-off event and planning workshops that familiarized the MPSCS CSO partners with the terms and conditions of their anticipated awards. This event provided an opportunity for CSOs to get to know the MPSCS staff and included relevant introductory trainings on compliance with the terms and conditions of their awards.

MPSCS staff presented the programmatic and financial reporting requirements and discussed the components of the grants, including: 1. Implementation Plan; 2. Performance Monitoring and Evaluation Plan (PMEP); and 3. Financial Sustainability Plan (FSP). Additionally, MPSCS team informed the CSOs on what documents they should prepare to perform the upcoming ODA. MPSCS worked with its partners to ensure that they understand the goal, objectives, and results of the program, and are, therefore, able to provide the information needed by MPSCS staff to implement the PMEP. Reporting forms were also tailored to ensure that accurate and appropriate information is collected, reported and easily integrated into the PMEP. These workshops resulted in comprehensive Implementation Plans, PMEPs, and FSPs, which are being developed by partners within 60 days from award signing.



MPSCS partner CSOs are getting familiarized with the terms and conditions of their awards on July 30, 2014, Chişinău

CAPACITY BUILDING

The following four capacity-building tools were developed, refined, and finalized by MPSCS.

Organizational Development Assessment (ODA) tool

MPSCS's ODA facilitates a self-evaluation of CSOs across seven main capacity areas: governance, implementation and management practices, human resource management, financial management and sustainability, constituency-centered programs, networking and advocacy, and media and promotion. Each area is ranked on a four-part scale: nascent (0 – 1.4), emerging (1.5 – 2.9), expanding (3 – 4.4), and mature (4.5 – 6).

ODA exercise gave us the possibility to see our strengths and weakness, and respectively, to identify the ways to improve our performance and team spirit.

Antonina VOLKOVA, Vesta Executive Director

During Year 1, MPSCS facilitated the ODA with each CSO partner. The ODA will be administered annually, for a total of four times for each partner. Up to 30 % of each partner's grant has been reserved for individual training and technical assistance to address the areas identified as most in need of improvement.

Sixteen MPSCS partner CSOs undertook the ODA. The 2-4 hours discussion was usually held with representatives of key personnel: managers, board members, staff representatives, and volunteer representatives. After the discussion, CSO teams with the assistance of the MPSCS Capacity Building Manager calculated the average score for each capacity area. ODA set a baseline against which MPSCS and partners will track progress. This assessment will also form the basis for a Training and Development Plan (TDP) for each CSO.

The preliminary baseline evaluations (Figure 1) shows that the overall score places most of the organizations at the beginning of the expanding stage of development.

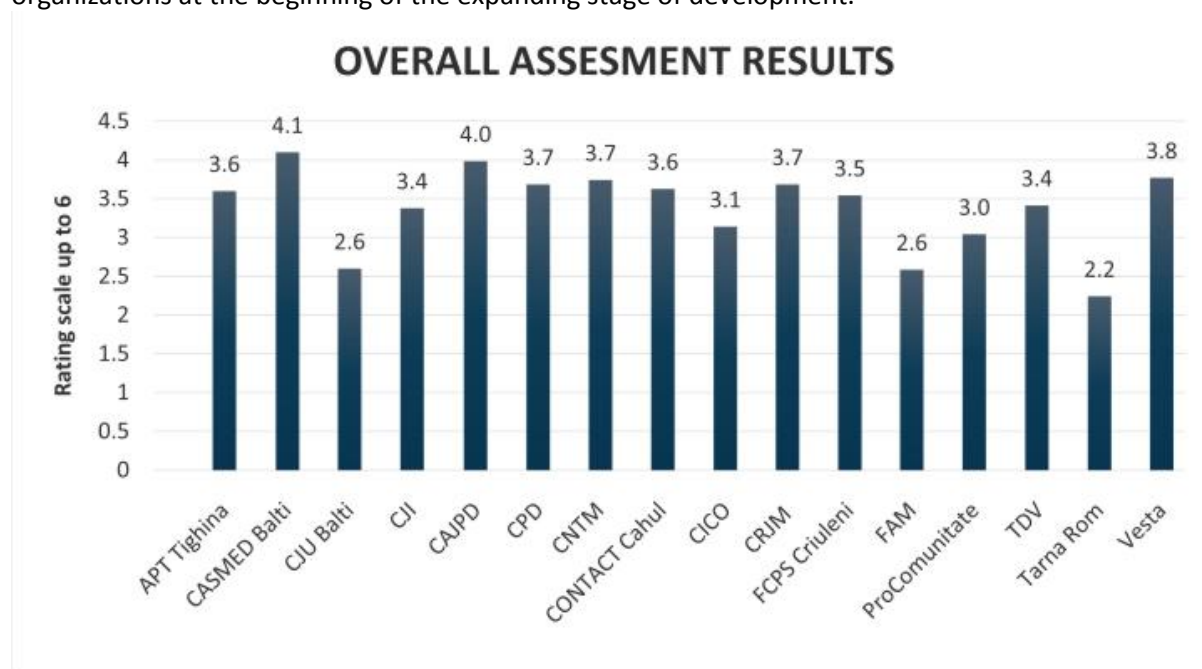


Figure 1. Overall ODA results for 16 MPSCS CSO

The preliminary conclusions of the ODA are the following:

1. GOOD GOVERNANCE

Our partners have established governance models, taken from their bylaws, as required by Moldovan legislation. However, many of the bylaws do not establish democratic election systems for the most influential positions on the board. Most of the CSOs do not have a democratic and decentralized governance structure with clearly divided and shared responsibilities and roles between the board and

the executives. Moreover, in some organizations, the Executive Director is a member of the Board; in other organizations, the director is acting as the President of the Board, executive Director and Project Coordinator simultaneously.

2. MANAGEMENT PRACTICES (PLANNING, M&E, REPORTING)

The first evaluation determined that our partners do not have clear, organization-wide management structures or practices. The technical aspects of a CSO's work, including project design, implementation, M&E, and reporting are done on a project-by-project basis, based on donors' requirements rather than on the organization's standard practices. Because their organizations are so project-based, only a few of our partners rely on their strategic plans to guide their work, organizational development, and fundraising. Also, CSOs lack planning and monitoring systems, which would include performance indicators that can be tracked (at the output, outcome, and impact levels).

3. HUMAN RESOURCE MANAGEMENT (HRM)

CSO have specific responsibilities and positions and have formal job descriptions. However, these job descriptions are developed as part of a contract, rather than used as a management tool. CSO also encourage their staff to attend trainings and other development opportunities, but often fail to tailor the trainings to the organization's or the employees' needs and to measure the impact of these trainings on employees' performance. In fact, employee evaluations are done on an ad-hoc basis usually at the request of funders or when performance issues arise.

4. FINANCIAL MANAGEMENT

In general, Moldovan CSOs have strong financial management systems, developed to meet donors' needs and the complex financial reporting requirements stipulated by Moldova's CSO legislation. The only real point of weakness is that financial management is seen as a skill needed for reporting and accountability, but not as a tool to manage the organization's resources. Most organizations do not see the difference between financial management and accounting. As a result, CSOs face difficulties when analyzing financial performance, planning activities, or estimating costs.

5. NETWORKING AND ADVOCACY

Moldovan CSOs tend to be isolated as a sector, disconnected from the government, businesses, and the broader community. They are also isolated from each other and unaccustomed to seeing other CSOs as strategic allies in building a sector. Additionally, Moldovan CSOs are isolated within their organizations, as staff are hired and management systems are developed on a project-by-project basis, rather than for the organization as a whole.

However, networking is more of a work in progress. Although most Moldovan CSOs recognize the value of networking, they also acknowledge that their past networking experience between CSO was not very effective and needed improvement. Most of the Engage Program partners do participate in national and international networks in order to promote their image and activities and to gain access to new donors and partners. This aspect is very important for the MPSCS CSO capacity building strategy, since building the CSO partnerships is a core activity to strengthen CSO advocacy efforts and to improve their connection to their constituency. CSOs often confuse the advocacy with lobby activities. Their capacity of engaging stakeholders in advocacy efforts is also weak.

6. CONSTITUENCY CENTRED SERVICES

CSOs scored high in this area, as was expected. One of the main selection criteria for the Engage Program was the ability to demonstrate a strong connection to an engaged constituency. However, there was certainly a range among our partners in this area. In general, more local Engage Program partners and those focused on providing social services had better connections to their constituencies.

7. MEDIA AND EXTERNAL RELATIONS

All CSOs have published promotional materials and some of them have functional website and publish their annual activity reports. CSOs recognize the power of new media and are thinking about how to use these new tools to engage constituents and other organizations. However, most of the CSOs still have weak capacity to communicate with traditional media outlets. Most CSOs communicate with journalists through press release or press conferences. They do not establish long-term relationships with journalists. In addition, many CSO representatives refuse to participate as experts on TV shows or provide comments in newspapers on facts related to their area of expertise because they think this is not important or they lack public speaking capacity.

Training and Development Plans (TDP)

Based on ODA result, six MPSCS partners submitted their TDPs. TDP is a technical tool that helps CSOs to plan their organizational development activities. As the preliminary data show (Figure 2), out of seven key components for organizational development, MCSPS partners requested training or mentorship for five priority areas.

Figure 2. Identified CSO Training and Development Plans priorities



Financial Sustainability Plan (FSP)

CSOs have few skills to attract local private and state funding. MPSCS is continuing its successful experience in Moldova in supporting CSOs with the tools to diversify their funding and thereby increase their prospects for long-term sustainability. Upon the completion of ODA, each MPSCS partner will develop an FSP. The FSP helps CSOs to assess their fundraising skills and current funding sources, and to develop a three-year plan to attract private and state funding. Under the MPSCS guidance, CSOs will develop individual FSPs in October-November 2014. The FSP template is attached to this report.

Financial Revenues Form (FRF)

According to local experts, over 90% of funding for Moldovan CSO comes from foreign donors. MPSCS seeks to help its partner CSOs to become less dependent on foreign donors' funds and to acquire the necessary skills to diversify their revenues. During the last quarter of Year 1, MPSCS conducted a baseline survey of the grantees' funding sources, using its FRF. Ten CSO have already completed the forms showing the organization's revenue for 2013 year per the following sources: international sources (public and private), domestic sources (both public and private) and the self-financing membership fees or any activities, which bring revenues to the organization. Preliminary data show that foreign funding remains the core revenue source for most CSOs. Only two CSOs (Pro Comunitate and CNTM) accessed funds from local sources. This demonstrates the challenges Moldovan CSOs face in shifting their funding from international donors to local sources and that potential public sources are not explored to the full extent

SUPPORT TO A LOCAL MARKET FOR CAPACITY DEVELOPMENT SERVICES AND PROVIDERS

In order to develop the local market of CSO capacity building providers, MPSCS launched a Request for Proposals (RFP) at the end of Year 1. As result, two applications were submitted. MPSCS, in coordination with the Strategic Partner CICO and with USAID's approval, will select one local provider to implement the following activities in Years 2 and 3:

1. Conducting a Needs Assessment Survey to identify strengths, weaknesses, opportunities, and challenges to CSO's capacity development marketplace. Carrying out individual interviews and focus group discussions with Moldovan CSOs and capacity building service providers to find out about CSOs' experiences with local and international service providers and the availability of capacity development services.
2. Building the organizational and training capacities of service providers to increase their role as reliable and sustainable service providers to Moldovan CSOs. Activities will address the gaps identified through the needs assessment of the service provision market. Beneficiaries will include at least 40 CSO partners, individual trainers, as well as other service providers from all the regions of Moldova.
3. Improving and promoting the current MPSCS capacity building/trainers and journalist database so that this virtual platform enables CSOs to spend a minimal amount of time and effort to obtain useful information regarding training opportunities and available trainers, to upload information on their own organization and activities, and to share resources and experience with each other.

TECHNICAL SUPPORT TO MPSCS PARTNERS FROM FHI 360 EXPERTS

During the Year 1, the FHI 360 Capacity Building Specialist, Mr. Keith Aulick, who has extensive experiences in developing organizational tools and procedures, provided support to MPSCS in developing the structure of the organizational development assessment tools- Individual Checklist and ODA.

FHI 360 international experts in CSO advocacy Nebojsa Radic and Andreea Firastraeru trips to Chisinau to train MPSCS partners are scheduled for early Year 2. Through this assistance MPSCS seeks to increase MPSCS CSO strategic partner's skills in developing and carrying out effective advocacy campaigns, help Moldovan CSO to establish contacts with their European counterparts, and adjust the FHI 360 Advocacy Index to Moldovan realities.

OBJECTIVE 3: ENABLING ENVIRONMENT MORE CONDUCTIVE TO LONG-TERM SUSTAINABILITY OF CIVIL SOCIETY

Under Objective 3, with MPSCS support significant steps to implement the CSO Strategy were made:

- The level of state funding for CSOs increased, CSO registration and the voluntary dissolution processes were simplified, and the social contracting and percentage designation mechanism to improve the CSO financial sustainability was launched.
- CSOs and authorities intensified their dialogue, discussing and offering inputs to draft laws and policies. On April 29, 2014, MPSCS co-funded the annual Parliament conference on cooperation with CSOs, which brought together 115 participants, including representatives from CSOs across Moldova, Parliament and Government representatives, and representatives of the donor community.
- A Ministry of Culture regulation on state funding for civil society cultural projects was approved by GoM and the call for proposals for state funded grants to CSO was announced. The overall amount of the state funding for this call is about \$125 000.

SUPPORTING IMPLEMENTATION OF THE CSO STRATEGY

The CSO Strategy set a good roadmap for reform of CSO laws in Moldova. The objectives focus on strengthening participation and cooperation between the public and private sectors, strengthening financial sustainability of the civil society and promoting active civic and volunteer spirit. At the same time, implementation remains a challenge. There are objective reasons, such as political changes, for example, as it was in the case of the Ministry of Finance. However, there is also little coordination of implementation between the government bodies, the parliament and CSOs on achieving the established objectives and consistent monitoring of the government's commitments towards the sector.

To address these two major issues, in Year 1 MPSCS provided:

- a) Capacity building and empowerment to the local stakeholders, such as line ministries and State Chancellery;
- b) Technical assistance on implementation of the CSO Strategy;
- a) Capacity building and empowerment to State Chancellery and ministries.

In April 2014, at State Chancellery's request, MPSCS supported and participated in an expert meeting for the line ministries' contact persons for cooperation with CSOs. This was the first meeting of the line ministries' officials in charge of cooperation with civil society and implementation of the CSO Strategy objectives. The meeting convened representatives from 15 line ministries and one State Chancellery representative, who shared their experiences of joint work on implementing the CSO Strategy objectives and cooperation with CSOs. To facilitate discussions, MPSCS shared examples of cooperation in implementing CSO strategies in other European countries and gave a short presentation of models for planning and monitoring the CSO Strategy implementation. MPSCS also shared materials related to volunteering regulations, models of state financing, and participation (see the Providing Technical Assistance and Comparative Expertise section). After the meeting with ministries, the State Chancellery organized a follow up discussion with representatives of CSOs in mid-April to solicit their opinions on how the CSO Strategy's implementation can be improved. During the

follow up meeting, the State Chancellery's appointed official and MPSCS mapped out existing needs in implementation of the policy document. It was decided to focus on developing methodology of the CSO Strategy monitoring, holding regular coordination meetings between the ministries (at least once a quarter), and involving CSOs more consistently in ministries' work. Also as the outcome of the previous engagement with line ministries, in May the State Chancellery assigned and circulated through its network and online the list of contact persons for CSOs in every ministry. This move is commendable, as it established a clear line of communication for policy-making processes and implementation of the CSO strategy objectives, and it is a follow-on result of MPSCS technical assistance.

To ensure GoM's buy-in and further commitment, in June 2014, the State Chancellery and MPSCS signed an MoU, which outlines cooperation commitments and activities. These include building the capacity of the Chancellery point person for implementation of the CSO Strategy; developing a monitoring mechanism for implementation; and improving cooperation with CSOs. In Year 2, MPSCS plans to support the State Chancellery in its coordination function through holding in-person consultation meetings and inviting a government practitioner from similar coordination unit from Croatia to hold a capacity building session.

Technical Assistance on implementation of the CSO Strategy

On April 29, 2014, MPSCS co-funded the costs of the annual Parliament's Conference on cooperation with CSOs, which brought together 115 participants (CSO, parliament, government representatives and donor community). The stakeholders (NGO Council and the assigned point person from the State Chancellery) reported on implementation progress on each objective of the CSO Strategy. Further three thematic workshops resulted in recommendations for each Strategy objective. Importantly, the



Parliament and National Council of NGOs discussing the concept of Annual Conference on Cooperation between Civil Society and Parliament
Chişinău, March 27, 2014

recommendations focused on the need for better cooperation within the government and with the CSOs; allocation of financial support to the State Chancellery to fulfill its function of coordination and monitoring of implementation of the CSO strategic documents; higher level of involvement by CSOs in decision-making processes; establishing a single reporting mechanism on implementation of the Strategy; establishing a working group on possibility of CSOs access to public financing and improved fiscal environment; and reviewing and, if necessary, amending the law on volunteering and its secondary regulation.

Enforcing implementation of the CSO Strategy and other policy documents for cooperation is a challenge not only in Moldova.¹ One of the safeguards for ensuring achievement of the set objectives is an established and committed monitoring process. The monitoring process should factor in a variety of achievements or non-completion, adjustments in timeline and action plan, and existing challenges and suggestions to overcome them. The Moldovan strategy provides for a significant role by the government unit for cooperation with CSOs in undertaking the role of monitoring of the CSO strategy, coordinating of ministries' work, and reporting on results. In the absence of an established form of reporting, the government tends to report on completed activities under each objective (see Chancellery's report presented at the parliamentary annual conference in 2014). In contrast, CSOs

¹ See ECNL, European practices on implementation of policy documents and liaison offices that support civil society development (2009), available: <http://www.icnl.org/research/resources/ngogovcoop/paperpol.pdf>

primarily emphasize the activities that were not implemented in their reports. The respective reports, however, do not represent a complete picture on the successes or gaps in achieving objectives, reasons for delays or adjustment of activities, nor do they put forward acceptable joint solutions.

In coordination with the State Chancellery, MPSCS suggested developing a consistent monitoring methodology for the CSO Strategy implementation. To share possible models, MPSCS has developed a comparative brief on monitoring mechanisms as applied in countries with policy documents for cooperation (Macedonia, Croatia, and Estonia). Based on that, the State Chancellery can decide on the most appropriate mechanism and solicit CSOs' and other stakeholders' input on the mechanism at the beginning of Year 2.

ENHANCING LOCAL EXPERTISE ON THE ENABLING LEGAL ENVIRONMENT FOR CSOS

With the adoption of CSO Strategy on September 28, 2012, Moldovan CSOs intensified their dialogue with the authorities, offering inputs to draft laws and policies (see USAID CSO Sustainability Index 2013). However, general expertise on CSO legal environment and capacity for involvement with a range of reform processes related to CSO reform remains limited.

To ensure committed local expert involvement in initiating and moving forward CSO law reforms, MPSCS invests in developing local expertise on enabling legal environment for CSOs through:

- Selecting a sector lead CSO under Objective 3;
- Carrying out capacity-building curriculum for the sector lead;
- Providing technical and comparative assistance to support the sector lead's activities.

In Year 1, MPSCS developed selection criteria and approach for contracting a local CSO as the lead organization in the law and policy reform track. After two rounds of calls, CRJ was selected as a sector lead under Objective 3. From December 2014, CRJ will undertake the lead role in reform of CSO legislation with primary focus on financial sustainability of CSOs (i.e. percentage designation mechanism, fiscal benefits), reform of framework legislation on associations, and enhancement of public participation.

MPSCS experts will support CRJ in building their capacity and expertise in specific CSO law topics. The support will also include building CRJ's expertise in conducting effective advocacy for CSO law reform, such as drafting comments on draft laws, developing effective advocacy strategies, and building up CSOs' support. In Year 1, MPSCS legal advisor developed a self-assessment tool to identify sector lead's current capacity and needs for learning on specific topics and skills. Based on the self-assessment, in Year 2 jointly with CRJ MPSCS will hold at least six training sessions (in person and online) and prepare a tailored fellowship curriculum in MPSCS partner ECNL's offices in Budapest in February 2015.

MPSCS also continues its support to the NGO Council's Secretariat, which is essential to ensuring sustainability of CSO actions in achieving Strategy's objectives. The Engage Program partner Tineri și Liberi – TsL (Resource Center Young and Free) will focus primarily on moving forward the previous advocacy efforts on the adoption of the percentage mechanism, facilitating CSOs input to the reform, and monitoring implementation of the CSO Strategy.

REVISING LEGISLATIVE FRAMEWORK AND IMPROVING IMPLEMENTATION

Reform of framework laws on public associations and on foundations

In February 2014, the Legislative Department of the Ministry of Justice launched an online consultation on possible amendments to Law on Public Associations and Law on Foundations. MPSCS submitted comments and suggestions for improvements to these laws, which turned out to be the only comments received by the Ministry.

Considering the lack of local CSO engagement and to ensure that the new amendments do not restrict the current environment for CSOs' registration and operations, MPSCS prioritized this area in order to:

- Ensure that the new amendments comply with European standards through technical assistance to the Ministry of Justice;
- Alert CSOs of possible changes and mobilize their engagement with the reform.

MPSCS held three in-person consultations with the representative of the Ministry of Justice Legislative Department, where MPSCS clarified the existing inconsistencies within the current Laws on Associations and on Foundations with European and international law. At request of the Ministry of Justice, MPSCS developed two written briefs: 1. with comparative information on registration of CSOs based on European good practice; and 2. on registering foreign branches, public benefit commission composition, which is also regulated under law on public associations, registration, de-registration and other issues.

MPSCS shared its comments on the Law on Public Associations and on the Law on Foundations with the Ministry of Justice and representatives of the NGO Council. It was important to alert and clarify to CSOs' possible concerns for their operations in case some of the draft provisions are applied. MPSCS also provided support in developing arguments and sharing relevant comparative documents with the CSOs and local foundations to prepare them to participate in public hearing at the Ministry of Justice on the drafts in mid-June.

As a result of these interventions, some restrictive provisions were removed from the final drafts submitted to the Parliament in mid-July. Most importantly the definition of "apolitical" nature of foundations was clarified: according to draft amendments "political" activities are only those that provide direct financing to political parties or campaigns. After the Parliament approves amendments, MPSCS will provide support to CSOs to ensure compliance with the new provisions in Year 2.

Development and implementation of percentage designation mechanism

The percentage designation mechanism, under which citizens can designate a certain percentage of their income tax to go to civil society organizations, is one a supplementary source of financial support for the CSO sector. This is an indirect state support mechanism which allows CSOs to mobilize domestic resources and increase their income base. Some also consider this mechanism as a potential supporting tool to encouraging local philanthropy. Moldovan CSOs actively promoted the 2% law initiative for several years. A working group was established under the Budgetary Committee of the Parliament, which did not consistently include CSOs. Amendments to the Tax Law and the Law on Associations and other related laws were adopted on July 18, 2014 in the last days of the Parliament's session. They included provisions on how fiscal authorities will calculate the amounts used to wire funds to CSOs, and how authorities may control the ways that CSOs spend the funds.

The adopted mechanism in the tax code is not reflective of previous discussions, nor will they be effective to the CSO sector at large. The main concern is the eligibility criteria, which are discriminatory toward CSOs. To qualify for this benefit, CSOs are required to have a public benefit status. This requirement creates an unfair competition with religious organizations, which are also entitled beneficiaries without the eligibility requirement. There are also other concerns about the proposed methods for designation and oversight of spending and liability.

For immediate steps, MPSCS developed comments to the adopted 2% mechanism. The comments support CSOs in their advocacy efforts to ensure that the implementing regulation for the adopted 2% mechanism is effective and can improve financial sustainability of CSOs.

While some of the issues can be addressed in the upcoming regulations on how the law will work (to be developed in fall 2014), other fundamental changes to the mechanism will also be required through change of the law. CRJ, the sector's lead, with MPSCS support will undertake advocacy for reform of the mechanism starting Year 2.

Social contracting

Another mechanism to foster CSOs' financial sustainability is government contracting of social services. On May 14, 2014, the Minister of Labor, Social Protection and Family signed the first contract under the social contracting mechanism that was developed with MPSCS support. This success took several years to achieve. Beginning in 2010, under USAID's Moldova Civil Society Strengthening Project (MCSSP), FHI 360 and its partners worked to assess and improve the CSO regulatory environment for public service provision. MCSSP provided best practices and lessons learned on the implementation of social contracting models in Europe and NIS countries.

According to the contract, the CSO "La Strada" will provide a 24/7 Child Helpline service from June 1, 2014 through December 31, 2016. Valentina Buliga, the Minister of Labor, Social Protection and Family expressed her confidence that this first experience in subcontracting a non-state social services provider will be a positive one, paving the way for long-lasting collaboration with the non-governmental sector.



Daniela Misail-Nichitin, head of the CSO International Center "La Strada" and Valentina Buliga, the Minister of Labor, Social Protection and Family, signing an Agreement Letter for phone counseling services via the Child Helpline. May 14, 2014

Photo credit: CSO International Center "La Strada"

Carrying out research on current regulation of corporate philanthropy

With external donors providing most of the funding, CSOs in Moldova increasingly explore domestic potential for additional source of income (according to USAID CSO Sustainability Index 2013). While private philanthropy is still in nascent stages, there are voiced opinions on the need to change the framework for regulation (the Law on Philanthropy and Sponsorship last amended in 2005, related Tax Code provisions and regulations).

To provide background to the upcoming work in the area of mobilization of domestic resources, MPSCS developed a brief on the current regulation of private philanthropy, legal framework, provisions and implementing regulation. In Year 2, a grant will be provided to CRJ to carry out assessment of the current practices in raising domestic resources, with special focus on private philanthropy with further recommendations for improvement.

Ensuring compliance with regulation on financial management of CSOs

Based on changes to the general accounting law, there are upcoming amendments to the Methodological instructions for CSO accounting (2010). MPSCS follows the progress with the new amendments of the Ministry of Finance. After the amendments are adopted, it will be essential to provide support to CSO accountants and financial managers. MPSCS will revise the Guide on Financial management of CSOs developed under MCSSP according to the changes in the law. Additionally, MPSCS will develop 2-3 webinars for CSO accountants on the new provisions, which will be available through an online platform in Year 2.

CROSS-CUTTING ACTIVITIES

GENDER INTEGRATION

MPSCS developed an easy to use Gender Questionnaire for Moldovan CSO willing to improve their genders policies and practices. The Gender audit process uses a framework and theory of change called the Gender Integration Framework (GIF), which suggests that transformation can only occur when four organizational dimensions are ready for gender integration. These four elements are political will, technical capacity, accountability, and organizational culture, and they can be viewed as akin to a tree. In early Year 2, MPSCS partners and other Moldovan CSO will be invited to apply the Gender Questionnaire (attached to this report) and develop follow-up activities. MPSCS will provide TA to these CSOs.

EUROPEAN UNION INTEGRATION AWARENESS RAISING ACTIVITIES

As Moldova moves toward EU integration, civil society will play a significant role in raising awareness and educating citizens. According to the USAID-FHI 360 Cooperative Agreement modified in September 2014, MPSCS provides a four-pronged approach to support CSOs to raise public awareness and promote EU integration.

First, MPSCS reviewed the current grantee proposals under both the Engage and Support grants Programs and selected 12 grantees, which demonstrated strong capacities to carry out public awareness campaigns and mobilize their constituency. The regions covered by CSOs were taken into account as well. The selected 12 MPSCS grantees expanded their original awards with EU promotional activities and developed additional one-year budgets. Two EU promotional projects – API's and CJI's - were approved by USAID and launched in Year 1. The remaining EU awareness activities will be launched in October 2014.

Second, MPSCS developed a new RFA under the EU Action Grants: Civil Society Support for Moldova European Integration grants competition that will be launched in October 2014. The EU Action Grants competition will offer support to Moldovan CSOs and media outlets to carry out activities focused on promoting EU integration across Moldova and improving public understanding of and support for integration.

Third, MPSCS worked with EEF to develop a grant to focus on promoting public awareness of European integration in the period of October 15, 2014 – October 14, 2015. The organization developed a project proposal and budget, which included activities on Moldova EU integration. EEF will issue nine sub-grants to implement EU awareness activities beginning in early Year 2.

Finally, MPSCS launched an open competition to select an advertising agency to develop a comprehensive nation-wide awareness campaign on Moldova's European integration. Seven advertising agencies submitted their proposals. The finalist Parc Comunicatii scope of work and budget were submitted to USAID for approval. Under MPSCS guidance, Parc Comunicatii will design and develop a comprehensive nation-wide awareness campaign on Moldova's EU integration by developing informational materials, producing and distributing television and radio spots on different media outlets, and organizing 60 door-to-door activities across Moldova.

IV. PERFORMANCE MONITORING AND EVALUATION PLAN (PMEP) RESULTS

At the beginning of MPSCS, FHI 360 developed a Performance Monitoring and Evaluation Plan (PMEP) that reflected the project performance toward its established objectives. The plan measures the direct accomplishments of the program and shows the indirect results and impact of program activities developed by MPSCS partners. The program ensured that the proposed indicators meet USAID's quality standards by being direct, objective, practical, attributable, timely, and adequate.

In this reporting period, MPSCS supported all of its partners to develop their PMEPs. Most of the data for reporting on performance indicator values come directly from MPSCS partners. Collected results are included in the project PMEP, attached to this report.

MPSCS met or exceeded all of its Year 1 project targets and is on track to achieve its Life of Project targets. MPSCS and its grantees successfully organized 11 joint events with central and/or local authorities. The program worked closely with central authorities to improve civil society conditions. As a result of these efforts, MPSCS succeeded in pushing forward important public policies, such as the amendments to the Fiscal Code and to the Law on Public Associations regarding the 2% mechanism, the Law on Public Associations and the Law on Foundations. Additionally, the GoM adopted the Ministry of Culture's Regulation on Grants to CSOs, which was developed with MPSCS support. Finally, CSO focal points in each line ministry were established to coordinate civil society policy reform and implementation.

V. CHALLENGES

MPSCS faced two main challenges during Year 1

The authorities both at the local and national levels do not have systematic approach to developing civil society and addressing its core problem causes. General expertise on CSO legal environment and capacity of national and local authorities remain limited. Through an MoU established with the State Chancellery in 2014, MPSCS will support the State Chancellery in its coordination function in Year 2. Additionally, MPSCS will provide more capacity building to line ministries and will provide written comments to draft laws so that the regulations respond to the Moldovan CSOs needs and are in line with European best practices.

The second challenge stems from managing CSOs' expectations and changing their perceptions about capacity building and advocacy. The MPSCS approach to civil society strengthening and advocacy requires a certain level of rigor and commitment to which many local CSOs are not accustomed. To address the issue, MPSCS provides more individual mentoring to each partner to help the organization develop and meet its goals.

VI. HIGHLIGHTS OF PLANNED ACTIVITIES FOR MPSCS YEAR 2

Objective 1: CSOs More Effectively Represent their Constituencies

- MPSCS Strategic Partner CICO will hold the initial thematic workshop to launch the project activities with participation of program partners and other stakeholders;

- Engage Program partners CSO will implement their advocacy campaigns engaging their target group in Chisinau and 25 raions;
- CPD will organize the Annual Employers Forum for Non-discrimination and develop the Moldovan labor market discrimination index;
- Tarna Rom will establish the Voice of the Roma Coalition, train its members in advocacy and monitoring of public decisions, and undertake monitoring of the Roma inclusion policies;
- API will conduct six journalistic investigations and publish eight editions of newspaper supplement with a total circulation of about 80,000 copies;
- CJU will use its Information and Resource Center in Balti to inform 300 visitors about the EU integration processes;
- CNTM will reach out to more than 150,000 students and 1,000 teachers to improve their knowledge about the EU's structure and the benefits of EU integration;
- Contact-Cahul will inform more than 17,000 people about the Moldova EU integration benefits;
- TDV will reach more than 60,000 citizens through series of events aiming to promote EU volunteering practices and the benefits of Moldovan European integration;
- Caroma Nord will bring together about 100 LPA, CSO, business sector, and public school representatives to discuss EU best practices and approaches to environmental protection;
- Certitudine will support 10 youth micro-projects to promote EU values and Moldova EU integration;
- CNTM will publish the monitoring report on youth policies and provide assistance public officials working on youth issues;
- CJI will inform about 300,000 citizens through video clips, a documentary, and TV shows and news reports;
- TDV will publish the Monitoring Report on the Implementation of the GoM Volunteering Actions;
- Vesta will establish and promote a Southern Alliance of seven Women CSOs;
- About 500,000 citizens will be informed about Moldova EU integration process through TV and radio spots and outdoor and indoor activities organized under the MPSCS nation-wide awareness campaign „Europa pentru Tine”(“Europe for You”);
- MPSCS People with Disabilities Grants program will be launched;
- MPSCS will provide grants to CSOs and media outlets to raise awareness of the Moldova European integration benefits and to mobilize community support for the European path;
- EEF and its nine sub-grantees will increase awareness and acceptance of the European path among 500,000 people through video and audio spots, articles, roundtable discussions conferences and monitoring of authorities' performance in EU - Moldova Association Agreement implementation.

Objective 2: The Institutional Capacities of Strategic Partners Developed

- MPSCS will provide enhanced TA and capacity building services to three strategic partners to implement sector-strengthening activities;
- MPSCS partners will develop and implement Training and Development Plans (TDPs) based on the Organizational Development Assessments (ODAs) facilitated by MPSCS;
- MPSCS partners will develop individual Financial Sustainability Plans (FSPs) in order to diversify their funding sources and to increase their financial independence;
- The strategic partners CICO and Contact-Cahul will provide coaching and training in organizational development and advocacy for the Engage Program Partners and other 57 Moldovan CSOs;

- The CSO Gender Questionnaire will be carried out for 10 MPSCS grantees and seven members of the Southern Alliance of Women CSOs under Vesta's project;
- A service provider(s) will further develop a local market for capacity-development services;
- FHI 360 international experts will conduct trainings on constituency engagement and advocacy for MPSCS staff and Contact-Cahul;
- Contact-Cahul and its partners will conduct three regional workshops for the representatives of CSOs in the North, Center and South Regional Development Councils on how to efficiently plan and carry out advocacy campaigns;
- CICO will improve the performance of 22 MPSCS partners, 6 Moldovan CSOs directly funded by USAID and other approximately 10 CSOs in Leadership, Change Management, Good Governance, and CSO Accounting;
- CICO will conduct three Cluster Clubs to discuss the principles of good governance, CSO accounting and HR management.

Objective 3: Enabling Environment More Conducive to Long-Term Sustainability of Civil Society

- TsL will develop the annual monitoring report on the implementation of the CSO Strategy and present its findings to public authorities;
- MPSCS partners will develop the new Civil Society development Strategy for 2016 – 2019 and its Action Plan;
- MPSCS will develop a methodology for monitoring and reporting on the CSO Strategy implementation;
- MPSCS will support the Ministry of Finance in developing fiscal reform drafts and state funding mechanism;
- MPSCS Strategic Partner CRJ will launch its project activities focused on regulatory reform;
- CRJ will conduct a consultation meeting with Moldovan CSOs on the necessary amendments to the Law on Public Associations;
- CRJ will send written recommendations on the necessary amendments to the Law on Public Associations to the Ministry of Justice;
- CRJ will hold a meeting with Moldovan CSOs in order to inform them about the 2% Law mechanism and how they can use it;
- CRJ will draft and present public policy documents on the necessary amendments to the Fiscal Code and on the level of public policy participation in the Parliament.

ATTACHMENTS

1. Organizational Development Assessment (ODA) Tool
2. MPSCS CSO Gender Questionnaire
3. MPSCS Year 1 Performance Monitoring and Evaluation Plan (PMEP)
4. MPSCS Database of Grantees
5. Financial Sustainability Plan (FSP)
6. Memorandum of Understanding between the State Chancellery and MPSCS

